

STATE OF HAWAII — DEPARTMENT OF TAXATION  
**EMPLOYEE'S STATEMENT CONCERNING NONRESIDENCE  
IN THE STATE OF HAWAII**

(Please Type or Print. To be completed in TRIPLICATE.)  
(ALL lines must be completed, unless otherwise instructed.)

**Year  
1998**

1. Full Name	Social Security Number
2. Present Home Address (Street, city, state, ZIP Code)	
3. Name of Employer and Employer's Address (Street, city, state, and ZIP Code)	
4. Are the services for the above employer being performed in Hawaii? ..... Yes <input type="checkbox"/> No <input type="checkbox"/> If no, where is the service performed? _____	
5. State the approximate number of days in the aggregate you expect to perform services in the State of Hawaii during the calendar year 1998. _____	
6. Are you now a resident of the State of Hawaii? (See Instructions on back for a discussion of a "Resident.") ..... Yes <input type="checkbox"/> No <input type="checkbox"/>	
7. Have you ever been a resident of the State of Hawaii? ..... Yes <input type="checkbox"/> No <input type="checkbox"/> If so, state for what years you were a resident in the State. _____	
8. Have you established a new domicile outside the State of Hawaii such as opening bank accounts, registering to vote, and joining social, business, and church groups? ..... Yes <input type="checkbox"/> No <input type="checkbox"/>	
9. Have you ever been in the State of Hawaii at any time during the calendar years 1987 through 1997? ..... Yes <input type="checkbox"/> No <input type="checkbox"/>	

**IF YOUR ANSWER TO QUESTION 6 OR 7 IS "YES," COMPLETE  
QUESTIONS 10 THROUGH 14; OTHERWISE, COMPLETE QUESTIONS 13 AND 14.**

10. State approximately how many days, in the aggregate, you spent outside the State of Hawaii during each of the following years; otherwise, enter "0-" for each of the applicable year(s).    1993 \_\_\_\_\_ 1994 \_\_\_\_\_ 1995 \_\_\_\_\_ 1996 \_\_\_\_\_ 1997 \_\_\_\_\_

11. Have you ever registered to vote in the State of Hawaii? (Except in Presidential Elections as provided under Chapter 14, Hawaii Revised Statutes) ..... Yes ☐ No ☐  
If you have registered to vote in the State of Hawaii, state year in which you last voted: \_\_\_\_\_

12. Do you own real property in the State of Hawaii? ..... Yes ☐ No ☐  
If so, Residential ☐ Street Address \_\_\_\_\_  
Other ☐ Street Address (or Property Location) \_\_\_\_\_

13. If you are married or have dependents, show relationships to you and state their present address; otherwise, enter "Not applicable" on line 13.(a).

Relationship to You	Present Address
(a) _____	_____
(b) _____	_____
(c) _____	_____
(d) _____	_____

14. If you claim that you are not now a resident of the State of Hawaii, furnish the following information:

(a) Address of your domicile which is your true, fixed, permanent home and principal establishment and to which place you intend to return whenever you are absent. \_\_\_\_\_

(b) Enclose a true copy of your military or naval orders, if you are a member of the military or naval forces of the United States; otherwise, enter "Not applicable" here. \_\_\_\_\_

(c) Enclose a true copy of a letter from your employer describing your services performed as an officer or member of the crew or the like engaged in aviation or navigation; otherwise, enter "Not applicable" here. \_\_\_\_\_

(d) Enclose a true copy of an appropriate document certified by the officials of the school, college, or university, evidencing your enrollment in their class or course; otherwise, enter "Not applicable" here. \_\_\_\_\_

I declare under the penalties of section 231-36 of the Hawaii Revised Statutes, that I have answered all the above questions which I am required to answer, and that my answers are true and correct.

Employee's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

<b>NOTE: THE FOLLOWING IS TO BE COMPLETED AND TRANSMITTED BY THE EMPLOYER.</b> (See the Instructions.)		<b>FOR TAX OFFICE USE ONLY</b> Withholding of income tax is: <input type="checkbox"/> Required because employee is a Hawaii Resident. <input type="checkbox"/> Required for services performed in Hawaii for 60 or more days in the aggregate. <input type="checkbox"/> Not required.	
Employer's Name and Applicable dba: _____		Income Tax Assessor/Assistant Assessor _____	
Contact Person _____	Phone Number _____	Date _____	
Employer's Hawaii Withholding I.D. No. _____	Date _____	Date _____	

## General Information

### Resident

A resident is taxed on income from all sources.

A Hawaii resident is an individual who is:

1. Domiciled for the entire year in Hawaii even though temporarily outside of Hawaii; or
2. Even though domiciled outside of Hawaii, an individual may be presumed to be a resident while maintaining a permanent place of abode within the State and spending a total of more than 200 days in the aggregate, during the taxable year within Hawaii. This presumption may be overcome by evidence satisfactory to the Department of Taxation that the individual maintained a permanent place of abode outside the State and is in the State for a temporary or transitory purpose. No person shall be deemed to have gained or lost a residence simply because of the person's presence or absence in compliance with military or naval orders of the United States, while engaged in aviation or navigation, while temporarily relocated by an employer, or while a student at any institution of learning. See Tax Information Release (TIR) No. 90-3, "*Income Taxation and Eligibility for Credits of an Individual Taxpayer Whose Status Changes from Resident to Nonresident or from Nonresident to Resident*" and TIR No. 97-1, "*Determination of Residence Status*".

### Nonresident

A Hawaii nonresident is an individual who is in Hawaii for a temporary or transient purpose, and whose permanent domicile is not Hawaii.

A nonresident must file an Individual Income Tax Return—Nonresident and Part-Year Resident (Form N-15), if required to do so. Act 281, Session Laws of Hawaii 1997, requires a nonresident to calculate Hawaii income taxes as if the nonresident were a resident. To determine Hawaii tax liability, the resulting amount is multiplied by the ratio of Hawaii adjusted gross income to total adjusted gross income from all sources. A nonresident married to a Hawaii resident may choose to file a joint return with the resident spouse on Form N-12; **however, the nonresident will then be taxed on all income from all sources.**

### Part-Year Resident

A part-year resident is an individual who was a Hawaii resident for part of the year, and a nonresident of Hawaii during the other part of the year. This includes those who became Hawaii residents during the year and those who gave up being a Hawaii resident during the year.

A part-year resident must file an Individual Income Tax Return—Nonresident and Part-Year Resident (Form N-15), if required to do so. Act 281, Session Laws of Hawaii 1997, requires a part-year resident to calculate Hawaii income taxes as if the part-year resident were a resident. To determine Hawaii tax liability, the resulting amount is multiplied by the ratio of Hawaii adjusted gross income to total adjusted gross income from all sources.

### Domicile Defined

The term "domicile" means the place where an individual has a true, fixed, permanent home and principal establishment, and to which place the individual has, whenever absent, the intention of returning. It is the place in which an individual has voluntarily fixed the habitation of the individual and individual's family, **not for a mere special or temporary purpose, but with the present intention of making a permanent home.** Three things are necessary to create a new domicile: first, an abandonment of the old domicile; second, the intention and establishing of a new domicile; and third, an actual physical presence in the new domicile. The mere intention to abandon a domicile once established is not of itself sufficient to create a new domicile, but before a person can be said to have changed the individual's domicile, even though the indi-

vidual manifests an intention to abandon the old domicile, a new domicile must be shown.

**Reminder:** If you are in Hawaii because of military orders and do not intend to make Hawaii your permanent home, you are not considered a Hawaii resident for income tax purposes, even though you have been in the State for more than 200 days in 1998.

### Resident vs. Nonresident Examples

**Note:** For more information, see TIR No. 90-3, "*Income Taxation and Eligibility for Credits of an Individual Taxpayer Whose Status Changes from Resident to Nonresident or from Nonresident to Resident*" and TIR No. 90-10, "*Clarification of Taxation and the Eligibility for Personal Exemptions and Credits of Residents and Nonresidents in the Military and Spouses and Dependents of Persons in the Military*", and TIR No. 97-1, "*Determination of Residence Status*".

**Example 1** — A person, who is a Hawaii resident and enlists in the military, will remain a Hawaii resident regardless of the length of absence from Hawaii while stationed at bases outside of Hawaii.

**Example 2** — A Hawaii resident working in a foreign country will remain a Hawaii resident unless permanent resident status is granted by the foreign country.

**Example 3** — Foreign students, researchers, and faculty members who are granted entry into the United States on "F", "H", or "J" visas are nonresidents for Hawaii tax purposes. Researchers and faculty members who are granted entry into the United States on "H", "J", or "Q" visas, and who have been in Hawaii for more than 200 days during the taxable year may be considered Hawaii residents.

**Example 4** — Spouses of those in the military service do not become Hawaii residents if their principal reason for moving to Hawaii was the transfer of their servicemember spouse to Hawaii, and if it is their intention to leave Hawaii when their servicemember spouse either is transferred to another military station or leaves the service.

**Example 5** — A Hawaii resident who marries a nonresident will remain a Hawaii resident unless the three requirements for changing the Hawaii resident's domicile are also met. (Refer to the definition "Domicile" above.) This situation applies in reverse to a nonresident who marries a resident. A person's status will not change merely due to the person's marriage.

### When is Withholding Required or Not

**(NOTE: Employers and employees who are exempt from the withholding provisions, are not necessarily exempt from the Hawaii Income Tax Law.)**

Withholding is required on:

- (a) Wages for services performed **in** the State; however, withholding is **not** required on such wages if **all** the following conditions are met:
  - The employee establishes that the employee is a nonresident,
  - The employee is temporarily performing services in the State,
  - The employer can reasonably expect the employee to be in the State, in the aggregate, for less than 60 days during the calendar year,
  - The employee is paid for the employee's services in the State from an office outside the State, **and**
  - The employee does not have the employee's regular place of employment for services for the employer in the State.

If all of the above conditions are met, except for the less-than-60-day requirement, and if the Director of Taxation finds that the withholding requirement is unduly onerous or impracticable of enforcement, the Director may grant permission to an employer for exception from the withholding requirement.

- (b) Wages for services performed **outside** the State if:

- The services are performed by an employee whose regular place of employment for services for the employer is in the State, **or**
- The wages are paid out of an office in the State or the field office of an employer whose head office is in the State.

The following examples should help to illustrate when withholding is or is not required:

**Employee**, a resident of Oregon, is engaged to teach in Hawaii for one summer. Though Employee is a nonresident, withholding is required on the Employee's wages.

**Employee**, a resident of Hawaii, is sent to the mainland for special training. Withholding is required on the Employee's entire wages.

**Employee**, a resident of Hawaii, is a promotional sales representative for a mainland manufacturer. The Employee has a home in Honolulu and covers all of the islands. From time to time the Employee goes to the mainland to attend sales conferences. Withholding is required on the Employee's entire wages.

**Employee**, a resident of California, is brought to the State by a firm having a contract to make a survey for a local company. The work commences in February and is not completed until June. During this time, the Employee makes a trip back to the mainland for consultations. Withholding is required on the wages for the period of service in the State, but is not required on the wages for the period the Employee is outside the State, if the Employee is a nonresident of the State.

**Employee**, a resident of Washington, is hired on the mainland by a local company having a construction contract for work on a Pacific island not part of the State. All of the Employee's services are performed on that island. Withholding is not required on the Employee's wages, if the Employee is a nonresident of the State. On the other hand, withholding is required on the wages of employees, performing like services for this company, who are Hawaii residents or do not make the required showing of nonresidence.

## Line-by-line Instructions

**Line 1.** Employee must include full name and social security number. If you are an alien and were issued an individual taxpayer identification number (ITIN) by the Internal Revenue Service, enter your ITIN.

**Line 2.** Employee must furnish current street or mailing address.

**Line 3.** Enter employer's name, including business or trade name, if applicable. Also, enter employer's complete current mailing address.

**Line 4.** Checkmark "Yes" if the services are performed in Hawaii. Checkmark "Yes" if the services are related to cruise ship or research vessels. Income earned while the ship or vessel is within the three-mile limit of Hawaii is subject to withholding. Enter on line 5 the aggregate days the ship will be within the three-mile limit of the Hawaii.

**Line 5.** Enter the total number of days you expect to perform services within Hawaii.

**Lines 6 to 9.** Answer **all** these questions.

**Lines 10 to 12.** Complete **all** these lines if line 6 or 7 is answered "Yes."

**Lines 13 & 14.** Complete both these lines.

**Signature & Date:** Sign and date your form. It is not considered a valid form unless you sign it.

**Employer Portion of the Form:** Complete and return the form in triplicate to your employer. The remaining portion of the form is to be completed and submitted to the Tax Office by your employer.

**Filing the Form:** The employer must file the original and second copy of the form to the appropriate taxation district office (i.e., the same office where the Form HW-14 is mailed) listed below. The third copy is returned to the employee (or perhaps filed in the employee's record). Refer to Booklet A "Employer's Tax Guide" for more information.

### Mailing Addresses:

OAHU DISTRICT OFFICE  
P. O. Box 3827  
Honolulu, Hawaii 96812-3827

MAUI DISTRICT OFFICE  
P. O. Box 923  
Wailuku, Hawaii 96793-0923

HAWAII DISTRICT OFFICE  
P. O. Box 1377  
Hilo, Hawaii 96721-1377

KAUAI DISTRICT OFFICE  
P. O. Box 1686  
Lihue, Hawaii 96766-5686